



# Operational Case Report

## Aiding Children (former registration number 1150765)

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### About the charity

Aiding Children (former registration number 1150765) was registered with the commission on 11 February 2013 for 'the relief of poverty and hardship among children living in such parts of the world by the provision of education, health, food, shelter and other such charitable services'. The charity was established to make grants to other charities that work on projects that the trustees of Aiding Children want to support.

### Why the commission got involved

In December 2013 concerns were raised with the commission about the fundraising practices of the charity. Following our assessment of the information available, including the accounts the charity submitted to the commission for the financial year ending October 2013, we established regulatory concerns relating to the charity's fundraising methods and its high overheads - only 6% of the charity's income had been spent on charitable activities. In addition, the last set of accounts did not explain who benefited from the donations that the charity made.

### The action we took

We wrote to the charity in February 2014 highlighting our concerns and requested a meeting with the trustees. The visit took place in March and its purpose was to inspect the records of the charity. We also issued the charity's bank with an order for the charity's bank statements.

### What we found

According to its accounts, the charity made donations totalling £3,500. We were told that the trustees met to decide which charities to donate to. However, there were no meeting minutes to confirm this. The trustees told us that the donations were given to two organisations: Plan International and Children in Need. We could only confirm a £1,480 donation with Plan International.

We were told by one of the trustees that cash was being collected by fundraisers on a daily basis and brought back to the charity's office. We were also told that 30% of the money from the bucket was paid to the fundraisers and the rest of the money was kept with a trustee of the charity. One of the trustees confirmed that the charity had not had a bank account since October 2013 and no one was able to provide a satisfactory explanation as to why the account had been closed. The trustee who kept the proceeds of the fundraising was not able to tell us about the projects the charity supports and it was difficult to see how the charity's money was being spent other than paying its trustees and fundraisers. The charity's website showed projects it supported. However, these were actually projects run by other charities. There were no proper financial controls in place and no paperwork to demonstrate how this organisation was operating as a charity. In addition, we had concerns about the governance of the charity given a high turn over of its trustees.

The trustees assured us that no trustee was being, or ever have been, paid. However following our access to old bank account records, we found regular payments to all of the former trustees up to the date the bank account was closed.

From what we found, it appeared that this organisation was established primarily for personal benefit. It was not operating as a charity, had no identifiable public benefit and seemed to be a fundraising organisation, spending most of its income on paying its fundraisers and trustees to fundraise. Fundraising is not a charitable objective. We concluded that the organisation was not operating as a charity. Aiding Children was removed from the register on 22 March 2014.

We were aware that Aiding Children had plans to fundraise at a number of underground and national rail stations. We ensured that they were no longer able to do so by liaising with Transport for London and National Rail. We also liaised with a number of local authorities to ensure that any street licence was revoked. In addition, we have referred our concerns and the details of our case to Action Fraud.

## Lessons for others

The registered objects of the charity were used as a cover for the trustees to use public donations for their own benefit. This was a betrayal of the privileged status that charities hold and the experience of the commission staff meant that the true nature of the organisation was swiftly identified.

This case is a clear example that the commission will act to disrupt the abuse of charitable status and, where we have concerns about criminal activity, we will refer these onto relevant partner authorities.